

What's at Stake for Colorado?

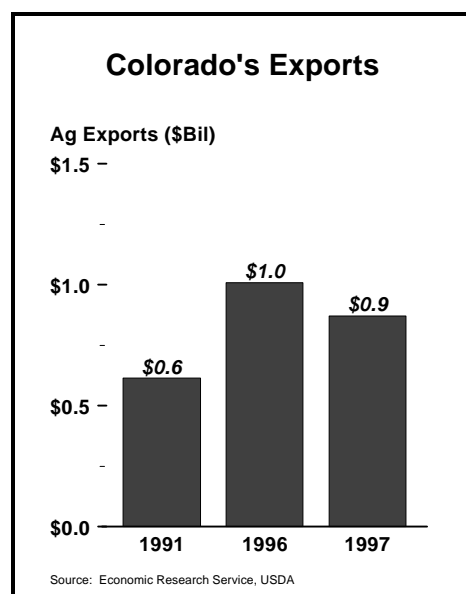
Colorado is an important producer of agricultural products and a large exporter. In 1997, the state's exports totaled an estimated \$872 million. These exports helped boost farm prices and income, while supporting about 14,800 jobs both on and off the farm in food processing, transportation and manufacturing. Exports are increasingly important to Colorado's agricultural and state-wide economy. Measured as exports divided by farm cash receipts, the state's reliance on agricultural exports rose from 17% to 20% since 1991.

The top five agricultural exports in 1997 were:

- # live animals and red meats -- \$250 million
- # feed grains and products -- \$135 million
- # wheat and products -- \$127 million
- # hides and skins -- \$120 million
- # vegetables and preparations -- \$81 million

World demand for these products is increasing, but so is competition among suppliers. If Colorado's farmers, ranchers, and food processors are to compete successfully for the export opportunities of the 21st century, they need *fair trade* and *fair access* to growing global markets.

Colorado Producers Benefit from Trade Agreements



Colorado is already benefitting from a number of agricultural trade agreements. While there is still much to be done, examples of new market opportunities for Colorado include:

- # Colorado, the nation's 4th largest producer of finished cattle, benefits from the Uruguay Round with a 38% reduction in the quantity of EU beef receiving export subsidies by 2000. Japan is reducing beef tariffs from 50% to 38.5%. Korea will eliminate its beef import quota by 2001 and reduce its tariffs to 40% by 2004. The Philippines is reducing its tariff from 60% to 35%.
- # Under NAFTA, Mexico eliminated its 15% tariff on live slaughter animals, its 20% tariff on U.S. chilled beef, and its 25% tariff on frozen beef. Its 20% tariff on beef offal will be eliminated by 2004. Due to the U.S.-Canada Free Trade Agreement, U.S. beef is now exempt from Canadian duties and volume restrictions.
- # With close to 10% of its farm receipts coming from wheat, Colorado benefits under the Uruguay Round from a 33% reduction in the quantity of EU wheat receiving export subsidies by 2000. Japan is expanding its 5,530,000 ton tariff-rate quota by 35,000 tons annually from 1995 to 2000.